

FINANCIAL STATEMENTS

TOWNSHIP OF MATHIAS

For the year ended March 31, 2005

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name MATHIAS	County ALGER
Audit Date 03/31/05	Opinion Date 07/29/05	Date Accountant Report Submitted to State:	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☒ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) SCHNEIDER, LARCHE, HAAPAL & CO., PLLC			
Street Address 401 LUDINGTON STREET	City ESCANABA	State MI	ZIP 49829
Accountant Signature <i>Schneider Larche Haapal & Company PLLC</i>		Date 7/10/06	

TABLE OF CONTENTS
FINANCIAL STATEMENTS

TOWNSHIP OF MATHIAS

March 31, 2005

	<u>PAGE</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	8
Statement of Activities	9
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	10
Reconciliation of the Governmental Fund Balances to the Net Assets of Governmental Activities	11
Statement of Revenues, Expenditures, and Changes in Fund Balances	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Business-Type Funds:	
Statement of Net Assets	14
Statement of Revenues, Expenses, and Changes in Net Assets	15
Statement of Cash Flows	16
Notes to Financial Statements	17

TABLE OF CONTENTS
FINANCIAL STATEMENTS

TOWNSHIP OF MATHIAS

March 31, 2005

PAGE

Required Supplemental Information:

Budgetary Comparison Schedule:

General Fund - Cash Basis 27

Fire Fund - Cash Basis 28

Community Center Fund - Cash Basis 29

Notes to Required Supplemental Information 30

Other Supplementary Information:

Nonmajor Governmental Funds Combining Financial Statements:

Balance Sheet 31

Schedule of Revenues, Expenditures,
And Changes in Fund Balances 32

Budgetary Comparison Schedules:

General Fund Revenues - Cash Basis 33

General Fund Expenditures - Cash Basis 34

Rural Health Fund - Cash Basis 35

Road Fund - Cash Basis 36

Housing Rehabilitation Fund - Cash Basis 37



*Schneider, Larche,
Haapala & Co., PLLC*

**CERTIFIED PUBLIC ACCOUNTANTS
& CONSULTANTS**

David P. Pechawer, C.P.A., P.C.

Denise M. Boyle, C.P.A., P.C.

Bruce D. Dewar, C.P.A.

Karen L. Meiers, C.P.A., P.C.

July 29, 2005

Township Board
Township of Mathias
Alger County, Michigan

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Mathias as of and for the year ended March 31, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Mathias as of March 31, 2005, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, the Township of Mathias has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of April 1, 2004.



The management's discussion and analysis and budgetary comparison information on pages 3 through 7 and 27 through 30 are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township's basic financial statements. The accompanying other supplemental information, as listed in the accompanying table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Schneider Zanche Haapala Company PLLC
Certified Public Accountants

**TOWNSHIP OF MATHIAS
ALGER COUNTY, MICHIGAN**

**MANAGEMENTS DISCUSSION AND ANALYSIS
March 31, 2005**

This discussion and analysis of the Township's financial position and activities is presented as of and for the year ended March 31, 2005. The information presented should be read in conjunction with the Township's financial statements that follow.

The discussion and analysis is intended to assist the readers understanding of the financial statements by highlighting summarized financial data, activities, trends and other related information.

ANNUAL REPORT

The Township annual report consists of three main financial information components as follows:

- Basic financial statements
- Required supplemental information
- Other supplemental information

Basic Financial Statements - The basic financial statements present government - wide financial statements that provide information about the Township's financial condition and activities as a whole. The government - wide financial statements provide data relating to the long-term nature of the Township's operations by reporting all Township assets and liabilities that will provide or require financial resources in the future and the Township's investment in property and equipment.

In addition, the basic financial statements present fund financial statements that provide information about the significant individual funds of the Township. The basic financial statements also include footnote disclosures necessary to provide additional information regarding the basic financial statements and other significant issues regarding the Township's financial position and activity.

Required Supplemental Information - Required supplemental information is not a part of the basic financial statements but is an important part of the annual report. The primary financial information contained herein is budgetary information of the Township's General Fund and other major special revenue funds.

Other Supplemental Information - Other supplemental information provides additional financial information regarding nonmajor funds of the Township and budgetary information not included as required supplemental information.

**TOWNSHIP OF MATHIAS
ALGER COUNTY, MICHIGAN**

**MANAGEMENTS DISCUSSION AND ANALYSIS (Continued)
March 31, 2005**

FINANCIAL HIGHLIGHTS

Financial highlights discussed below include the following items:

- Adoption of GASB Statement 34
- Government-wide financial information
- Governmental funds financial information
- Other information

Adoption Of GASB Statement 34 - This annual report has been prepared in accordance with Governmental Accounting Standards Board Statement 34. The new standard was implemented for the first time in the current year. Information for the year 2004 presented below has been restated to be comparative with 2005.

Government - wide Financial Information - The net assets of the Township as a whole for the year ended March 31, 2005 decreased by \$16,897 to \$1,443,815. A comparison of net assets as of March 31, 2005 and 2004 are as follows:

	<u>2005</u>	<u>2004</u>
Cash	\$ 196,153	\$ 181,704
Receivables	<u>17,392</u>	<u>24,540</u>
Total noncapital assets	213,545	206,244
Capital assets, net	<u>1,252,529</u>	<u>1,289,290</u>
Total assets	<u>1,466,074</u>	<u>1,495,534</u>
Accounts payable and accrued expenses	1,200	3,397
Long-term debt	<u>21,059</u>	<u>31,425</u>
Total liabilities	<u>22,259</u>	<u>34,822</u>
Net assets	<u>\$1,443,815</u>	<u>\$1,460,712</u>
Net assets are categorized as follows:		
Invested in capital assets, net of related debt	\$1,231,470	\$1,289,290
Unrestricted net assets	<u>212,345</u>	<u>171,422</u>
	<u>\$1,443,815</u>	<u>\$1,460,712</u>

**TOWNSHIP OF MATHIAS
ALGER COUNTY, MICHIGAN**

**MANAGEMENTS DISCUSSION AND ANALYSIS (Continued)
March 31, 2005**

Government - wide Financial Information (Continued)

Significant revenues and expenditures on a government-wide basis are as follows for the years ending March 31, 2005 and 2004:

Revenues:	<u>2005</u>		<u>2004</u>	
Program:		<u>%</u>		<u>%</u>
Charges for services	\$ 48,946	33	\$ 54,346	25
Grants and contributions	2,000	1	63,000	29
General:				
Taxes	53,276	36	49,056	23
State revenue sharing	41,349	28	44,625	21
Other	<u>2,872</u>	<u>2</u>	<u>4,319</u>	<u>2</u>
	<u>148,443</u>	<u>100</u>	<u>215,346</u>	<u>100</u>
Expenditures:				
General operations	67,188	40	76,027	44
Public safety	28,074	17	24,960	14
Public works	5,129	3	9,904	6
Recreation	2,000	1	-	-
Interest expense	1,229	1	1,782	1
Other expenditures	21,113	13	19,974	11
Water system operations	<u>40,607</u>	<u>25</u>	<u>41,907</u>	<u>24</u>
	<u>165,340</u>	<u>100</u>	<u>174,554</u>	<u>100</u>
Change in Net Assets	(\$ <u>16,897</u>)		\$ <u>40,792</u>	

Revenues reported for the year ended March 31, 2004 included a capital grant from the federal government in the amount of \$63,000. Revenues for the year ended March 31, 2006 are currently projected to approximate revenues reported for the year ended March 31, 2005.

Expenditures for the year ended March 31, 2005 were comparable to the prior year. Expenditures for the year ended March 31, 2006 are expected to remain relatively constant with 2005.

**TOWNSHIP OF MATHIAS
ALGER COUNTY, MICHIGAN**

**MANAGEMENTS DISCUSSION AND ANALYSIS (Continued)
March 31, 2005**

Governmental Funds Financial Information - As discussed in the basic financial statements, the basis of presentation and the basis of accounting used in preparing the government-wide and governmental funds financial statements are different.

The fund balances of the governmental funds of the Township increased by \$6,047 to \$164,099.

Cash balances of the governmental funds remained relatively constant, increasing by \$1,451 to \$157,955.

Revenues and expenditure comparisons with the prior year are as follows:

	<u>2005</u>	<u>2004</u>
Total Revenues		
General fund	\$ 77,430	\$ 87,591
Other funds	<u>55,964</u>	<u>119,370</u>
	<u>133,394</u>	<u>206,961</u>
 Total Expenditures		
General fund	93,467	76,830
Other funds	<u>33,880</u>	<u>114,688</u>
	<u>127,347</u>	<u>191,518</u>
 Change in fund balances	\$ <u>6,047</u>	\$ <u>15,443</u>

Revenues and expenditures in 2004 included federal grant funds of \$63,000 used for the purchase of a fire tanker costing \$68,164.

**TOWNSHIP OF MATHIAS
ALGER COUNTY, MICHIGAN**

**MANAGEMENTS DISCUSSION AND ANALYSIS (Continued)
March 31, 2005**

Other Information

Debt Service - The Township made principal payments on long-term debt totaling \$12,000. Total outstanding debt as of March 31, 2005 was \$21,059. The principal and interest debt service requirement for the next fiscal year are \$10,905 and \$1,095, respectively.

Capital Outlay - The Township purchased capitalized assets totaling \$11,226 during the year. The Township's total investment in property and equipment totaled \$1,863,499 as of March 31, 2005. This investment includes water system property and equipment of \$1,156,077 and other property and equipment of \$707,422. No significant capital expenditures are projected for the next fiscal year.

MATHIAS TOWNSHIP

STATEMENT OF NET ASSETS

March 31, 2005

ASSETS

	Governmental Activities	Business-type Activities	Total
Current Assets:			
Cash	\$ 157,955	\$ 38,198	\$ 196,153
Due from other governmental units	9,111	-	9,111
Accounts receivable	-	1,190	1,190
Taxes receivable	7,091	-	7,091
TOTAL CURRENT ASSETS	174,157	39,388	213,545
Noncurrent Assets:			
Buildings, land and improvements	393,726	11,900	405,626
Water system	-	1,144,177	1,144,177
Equipment	313,696	-	313,696
Less: accumulated depreciation	(243,136)	(367,834)	(610,970)
NET NONCURRENT ASSETS	464,286	788,243	1,252,529
TOTAL ASSETS	\$ 638,443	\$ 827,631	\$ 1,466,074

LIABILITIES AND NET ASSETS

Current Liabilities:			
Accounts payable and accrued expenses	\$ 821	\$ 379	\$ 1,200
Current portion of noncurrent liabilities	10,905	-	10,905
TOTAL CURRENT LIABILITIES	11,726	379	12,105
Noncurrent Liabilities:			
Notes payable	10,154	-	10,154
TOTAL NONCURRENT LIABILITIES	10,154	-	10,154
TOTAL LIABILITIES	21,880	379	22,259
Net Assets:			
Invested in capital assets, net of related debt	443,227	788,243	1,231,470
Unrestricted	173,336	39,009	212,345
TOTAL NET ASSETS	616,563	827,252	1,443,815
TOTAL LIABILITIES AND NET ASSETS	\$ 638,443	\$ 827,631	\$ 1,466,074

See notes to financial statements.

TOWNSHIP OF MATHIAS
STATEMENT OF ACTIVITIES

For the year ended March 31, 2005

Functions/Programs	Program Revenues			Net Revenue (Expense) and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Legislative	\$ 13,850	\$ -	\$ -	\$ (13,850)		\$ (13,850)
General government	53,338	29,567	-	(23,771)		(23,771)
Public safety	28,074	5,250	-	(22,824)		(22,824)
Public works	5,129	-	-	(5,129)		(5,129)
Recreation and culture	2,000	-	2,000	-		-
Interest on long-term debt	1,229	-	-	(1,229)		(1,229)
Other	21,113	-	-	(21,113)		(21,113)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 124,733	\$ 34,817	\$ 2,000	(87,916)		(87,916)
Business-type Activities:						
Water	\$ 40,607	\$ 14,129	\$ -		\$ (26,478)	(26,478)
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 40,607	\$ 14,129	\$ -		(26,478)	(26,478)
General Revenues:						
Property taxes				53,276	-	53,276
State revenues				41,349	-	41,349
Other local revenues				2,396	476	2,872
TOTAL GENERAL REVENUES				97,021	476	97,497
Change in net assets				9,105	(26,002)	(16,897)
Net assets - April 1				607,458	853,254	1,460,712
Net assets - March 31				\$ 616,563	\$ 827,252	\$ 1,443,815

See notes to financial statements.

TOWNSHIP OF MATHIAS

BALANCE SHEET
GOVERNMENTAL FUNDS

March 31, 2005

	<u>General Fund</u>	<u>Fire Fund</u>	<u>Community Center Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>					
Cash	\$ 81,477	\$ 45,241	\$ 19,093	\$ 12,144	\$ 157,955
Taxes receivable	2,198	4,893	-	-	7,091
Due from other governmental units	9,111	-	-	-	9,111
TOTAL ASSETS	\$ 92,786	\$ 50,134	\$ 19,093	\$ 12,144	\$ 174,157
<u>LIABILITIES AND FUND BALANCE</u>					
<u>LIABILITIES:</u>					
Deferred revenues	\$ 5,165	\$ 4,893	\$ -	\$ -	\$ 10,058
TOTAL LIABILITIES	5,165	4,893	-	-	10,058
<u>FUND BALANCE:</u>					
Unreserved	87,621	45,241	19,093	-	151,955
Unreserved Nonmajor Funds:					
Special revenue	-	-	-	12,144	12,144
TOTAL FUND BALANCES	87,621	45,241	19,093	12,144	164,099
TOTAL LIABILITIES AND FUND BALANCE	\$ 92,786	\$ 50,134	\$ 19,093	\$ 12,144	\$ 174,157

See notes to financial statements.

TOWNSHIP OF MATHIAS

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**

March 31, 2005

Total fund balances-governmental funds \$ 164,099

Amounts reported for governmental activities in the statement of net
assets are different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported as assets in governmental
funds.

Cost of net assets	\$ 707,422	
Accumulated depreciation	<u>(243,136)</u>	464,286

Long-term liabilities and related accrued interest are not due and payable
in the current period and therefore are not reported as liabilities in
governmental funds.

Notes payable	\$ (21,059)	
Accrued interest	<u>(821)</u>	(21,880)

Certain revenues are deferred in the governmental funds since they are
not available to pay current year expenditures

10,058

Total net assets-governmental activities \$ 616,563

See notes to financial statements.

TOWNSHIP OF MATHIAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

GOVERNMENTAL FUNDS

For the year ended March 31, 2005

	General Fund	Fire Fund	Community Center Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>REVENUES</u>					
Taxes	\$ 24,382	\$ 26,342	\$ -	\$ 1,709	\$ 52,433
State sources	40,389	-	-	1,359	41,748
Charges for services	8,485	750	-	2,596	11,831
Interest and rentals	1,078	135	22,988	85	24,286
Other	3,096	-	-	-	3,096
TOTAL REVENUES	77,430	27,227	22,988	5,749	133,394
<u>EXPENDITURES</u>					
Legislative	13,850	-	-	-	13,850
General government	26,902	-	19,284	-	46,186
Public safety	27,069	-	-	-	27,069
Public works	5,129	-	-	-	5,129
Recreation and culture	2,000	-	-	-	2,000
Debt service	-	12,000	-	-	12,000
Other	18,517	-	-	2,596	21,113
TOTAL EXPENDITURES	93,467	12,000	19,284	2,596	127,347
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(16,037)	15,227	3,704	3,153	6,047
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	11,335	-	-	-	11,335
Transfers out	-	(11,335)	-	-	(11,335)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(4,702)	3,892	3,704	3,153	6,047
Fund Balance, April 1	92,323	41,349	15,389	8,991	158,052
FUND BALANCE, MARCH 31	\$ 87,621	\$ 45,241	\$ 19,093	\$ 12,144	\$ 164,099

See notes to financial statements.

TOWNSHIP OF MATHIAS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

For the year ended March 31, 2005

Total net change in fund balance-governmental funds	\$ 6,047
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The amount by which depreciation exceeded capital outlay in the current period.	(8,157)
Governmental funds report the repayment of principal on long-term debt as an expenditure, while the statement of activities does not. Governmental funds also report interest expense when due rather than as accrued.	10,771
Revenues that are not available to pay current obligations are not recorded as revenues until available in the governmental funds.	<u>444</u>
Change in net assets of governmental activities	\$ <u><u>9,105</u></u>

See notes to financial statements.

TOWNSHIP OF MATHIAS
STATEMENT OF NET ASSETS
BUSINESS-TYPE FUNDS

March 31, 2005

	<u>Water System Fund</u>	<u>Total</u>
<u>ASSETS</u>		
Current Assets:		
Cash	\$ 38,198	\$ 38,198
Accounts receivable	<u>1,190</u>	<u>1,190</u>
TOTAL CURRENT ASSETS	<u>39,388</u>	<u>39,388</u>
Noncurrent Assets:		
Land	11,900	11,900
Water system	1,144,177	1,144,177
Less: accumulated depreciation	<u>(367,834)</u>	<u>(367,834)</u>
	<u>788,243</u>	<u>788,243</u>
TOTAL ASSETS	<u>\$ 827,631</u>	<u>\$ 827,631</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	\$ <u>379</u>	\$ <u>379</u>
TOTAL CURRENT LIABILITIES	<u>379</u>	<u>379</u>
<u>NET ASSETS</u>		
Invested in capital assets	788,243	788,243
Unrestricted	<u>39,009</u>	<u>39,009</u>
TOTAL NET ASSETS	<u>\$ 827,252</u>	<u>\$ 827,252</u>

See notes to financial statements

TOWNSHIP OF MATHIAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
BUSINESS -TYPE FUNDS

For the year ended March 31, 2005

	Water System Fund	Total
Operating Revenues:		
Customer charges	\$ 14,129	\$ 14,129
TOTAL OPERATING REVENUES	14,129	14,129
Operating Expenses:		
Wages	4,800	4,800
Office	667	667
Insurance	796	796
Utilities and fuel	2,158	2,158
Repairs and maintenance	3,582	3,582
Depreciation	28,604	28,604
TOTAL OPERATING EXPENSES	40,607	40,607
Operating Income (Loss)	(26,478)	(26,478)
Nonoperating Revenues (Expenses):		
Interest income	476	476
NET INCOME	(26,002)	(26,002)
Net Assets, April 1	853,254	853,254
Net Assets, March 31	\$ 827,252	\$ 827,252

See notes to financial statements

TOWNSHIP OF MATHIAS
STATEMENT OF CASH FLOWS
BUSINESS-TYPE FUNDS

For the year ended March 31, 2005

	Water System Fund	Total
Cash Flows From Operating Activities:		
Cash received from customers	\$ 13,867	\$ 13,867
Payments to suppliers	(6,995)	(6,995)
Payments to employees	(4,800)	(4,800)
NET CASH FROM OPERATING ACTIVITIES	<u>2,072</u>	<u>2,072</u>
Cash Flows From Investing Activities:		
Interest received	<u>476</u>	<u>476</u>
NET CASH FROM INVESTING ACTIVITIES	<u>476</u>	<u>476</u>
NET INCREASE (DECREASE) IN CASH	2,548	2,548
Cash, April 1	<u>35,650</u>	<u>35,650</u>
Cash, March 31	\$ <u><u>38,198</u></u>	\$ <u><u>38,198</u></u>
Reconciliation Of Operating Income (Loss) To Net Cash From Operating Activities:		
Operating income (loss)	\$ (26,002)	\$ (26,002)
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation	28,604	28,604
Interest income	(476)	(476)
Change in assets and liabilities:		
Accounts receivable	(262)	(262)
Accounts payable	<u>208</u>	<u>208</u>
NET CASH FROM OPERATING ACTIVITIES	\$ <u><u>2,072</u></u>	\$ <u><u>2,072</u></u>

See notes to financial statements

TOWNSHIP OF MATHIAS

NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Mathias have been prepared in accordance with generally accepted accounting principles in the United States of America as applicable to governmental entities. A summary of the significant accounting policies followed in the preparation of the financial statements are presented below.

A) Reporting Entity - The Township of Mathias's financial statements present the Township as the primary government. The Township does not have any component units.

B) Basic Financial Statements - The Township's basic financial statements are comprised of the following five components:

- 1) Government-wide financial statements
 - 2) Governmental funds financial statements
 - 3) Business-type funds financial statements
 - 4) Fiduciary funds financial statements
 - 5) Notes to the financial statements
- 1) Government-wide financial statements report information on all of the nonfiduciary activities of the Township. The effect of interfund activity has generally been removed from these statements. Governmental activities normally supported by taxes and intergovernmental revenues are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The Statement of Net Assets displays the assets, liabilities and net assets of the Township as a whole. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenue. Program revenues include user fees, and grants and contributions restricted for specific operational or capital acquisition purposes. Taxes, unrestricted state grants and other revenues not properly reported as program revenues are reported as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

TOWNSHIP OF MATHIAS

NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 2) Governmental funds financial statements report on the individual governmental funds of the Township. Major governmental funds are reported on separately and nonmajor governmental funds are grouped for reporting purposes

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Significant revenue sources meeting the availability criteria include state shared revenues. Various receivables collected after the period of availability would be recorded as deferred revenues.

Expenditures generally are recorded when a liability is incurred. Expenditures not normally paid from currently available resources are recorded when payment is due. Examples of expenditures recorded when due would include debt service expenditures, expenditures relating to compensated absences, and claims and judgements.

The individual governmental funds are each considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Township's governmental funds can be classified into two specific fund types. The specific fund types, purposes and the actual funds maintained by the Township, are as follows:

General Fund - The General Fund is the general operating fund of the Township. It is used to account for all financial resources and transactions not properly or legally accounted for in another of the Township's funds.

Special Revenue Funds - The Township's special revenue funds are used to account for proceeds of specific revenue sources or to finance specific activities as required by law or administration regulations. The following special revenue funds are maintained by the Township:

TOWNSHIP OF MATHIAS

NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major Funds:

- Fire Fund
- Community Center Fund

Nonmajor Funds:

- Rural Health Fund
- Road Fund
- Housing Rehabilitation Fund

- 3) Business-type funds financial statements report proprietary funds that include enterprise funds. The Township's only enterprise fund is its Water System Fund. The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows using the accrual basis of accounting. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Township's proprietary fund relates to charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, depreciation on capital assets and debt costs associated with financing upgrades to the water system. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

- 4) Fiduciary fund financial statements are used to report assets held in a trustee or agency capacity for others and are not available to support general Township programs. The fiduciary funds are excluded from the government-wide financial statements. Fiduciary funds use the accrual basis of accounting. The Township's fiduciary funds are both agency funds, the Current Tax Collection Fund and the Trust and Agency Fund. The Agency funds had no assets or liabilities as of March 31, 2005.

TOWNSHIP OF MATHIAS

NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 5) Notes to the financial statements provide information to the reader that is considered critical to the readers understanding of the financial statements and the Township's financial position and activities. The disclosures provide information that generally cannot be determined by a reading of the other sections of the financial statements.

C) Budgets - The Township prepares and adopts budgets on a cash basis. Unexpended appropriations lapse at the end of the fiscal year. The Township's general fund expenditure budget is adopted at the activity level. The Township also adopts special revenue fund budgets, which adopt expenditures at the account level. The Township Supervisor is responsible for the preparation and monitoring of the budget. The Township Board is responsible for the approval of the original budgets and any subsequent amendments.

D) Accounts Receivable - Property taxes and other accounts receivable are shown net of any allowance for amounts that the Township believes will be uncollectible. Amounts due from other governments represent accounts receivable from federal, state and local governments.

E) Capital Assets - Capital assets, which include property, plant, and equipment are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The Township has elected not to retroactively record the value of infrastructure assets.

Capital assets are depreciated using the straight-line method over the following useful lives:

•	Water system	40 years
•	Buildings and Improvements	30 to 50 years
•	Fire vehicles	10 to 20 years
•	Equipment	10 years

TOWNSHIP OF MATHIAS

NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets are recorded as an asset and depreciated for the government-wide financial statements and proprietary fund statements but are not recorded in the governmental fund financial statements. The acquisition of capital assets are reported as an expenditure in the governmental fund financial statements when acquired.

F) Deferred Revenues - Deferred revenues have met the asset recognition criteria but have not met the revenue recognition criteria. Deferred revenues include accounts receivable not received within the availability period of 60 days.

G) Noncurrent Liabilities - Noncurrent liabilities are reported in the government-wide financial statements but are not reported in the governmental funds financial statements. Proceeds from noncurrent liabilities and payments on those liabilities are recorded as other financing sources and debt service expenditures, respectively, in the governmental funds financial statements.

H) Net Asset Classifications - In the Government-wide financial statements, equity is classified as net assets and displayed in two components:

1. Invested in capital assets, net of related debt - consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Unrestricted net assets - all other net assets.

I) Property Taxes - The Township's annual property tax on real and personal property within the Township is levied on December 1, and is based on taxable valuation of property as of the preceding December 31. In addition to collecting their own taxes, the Township also acts as collection agent for all over-lapping governments in the Township. The Township's portion of the tax is collected between December 1 and February 28. Delinquent real property taxes are subsequently turned over to the County which maintains a tax revolving fund with permits the County to pay the Township 100% of the delinquent real taxes whin approximately two or three months after the delinquency date of February 28.

The Township generally recognizes property taxes as revenue in the year the taxes are levied. Property taxes not meeting the availability criteria are recorded as deferred revenue in the governmental fund financial statements.

TOWNSHIP OF MATHIAS

NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J) Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

NOTE 2 - ADOPTION OF GASB STATEMENT NO. 34

The Government Accounting Standards Board is responsible for establishing generally accepted accounting principles for state and local governments. The Township has adopted a new financial reporting model as of March 1, 2004 as required by GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. In connection with this accounting change, the Township has also changed the basis of accounting used by their governmental funds from the cash to the modified accrual basis. Because this change is occurring with the changes required by GASB No. 34, management has accounted for the change to the modified accrual basis by restating the prior fund balance of their governmental funds, as follows:

Total fund balances of governmental funds, as previously stated	\$ 146,054
Cumulative adjustment to previously stated fund balances of governmental funds due to change in basis of accounting	<u>11,998</u>
Total fund balances of governmental funds, as restated	\$ <u>158,052</u>

In addition, the Township changed the basis of accounting used by their business-type funds from the cash to the accrual basis. Beginning net assets of their business-type funds were restated, as follows:

Net assets of business-type funds, as previously stated	\$ 852,497
Cumulative adjustment to previously stated net assets due to change in basis of accounting	<u>757</u>
Net assets of business-type funds, as restated	\$ <u>853,254</u>

TOWNSHIP OF MATHIAS

NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 3 - CASH DEPOSITS

Michigan compiled laws authorize and limit deposits and investments to federally insured financial institutions with offices in the State of Michigan, direct obligations of the United States, certain obligations of the State of Michigan or its' political subdivisions, specific investment grade short-term commercial paper, bankers acceptances of United States banks and mutual funds investing in authorized investment types.

Cash deposits are recorded at cost. At March 31, 2005, the carrying amount of the Township's cash deposits was \$196,153 and the bank balance was \$196,452 which was fully covered by federal deposit insurance.

NOTE 4 - CAPITAL ASSETS

The following summarizes capital asset activity for the year ended March 31, 2005:

	<u>Balance April 1, 2004</u>	<u>Additions</u>	<u>Disposals and Adjustments</u>	<u>Balance March 31, 2005</u>
<u>Governmental Activities</u>				
Nondepreciated Capital Assets:				
Land	\$ 8,500	\$ -	\$ -	\$ 8,500
Depreciated Capital Assets:				
General government:				
Buildings and improvements	338,000	-	-	338,000
Equipment and furnishings	3,500	-	-	3,500
Fire activity:				
Buildings and improvements	36,000	11,226	-	47,226
Vehicles	292,196	-	-	292,196
Equipment	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>18,000</u>
TOTAL COST	<u>696,196</u>	<u>11,226</u>	<u>-</u>	<u>707,422</u>
Accumulated Depreciation:				
Buildings and improvements	138,266	6,915	-	145,181
Vehicles	72,586	10,319	-	82,905
Equipment	<u>12,900</u>	<u>2,150</u>	<u>-</u>	<u>15,050</u>
TOTAL ACCUMULATED	<u>223,752</u>	<u>19,384</u>	<u>-</u>	<u>243,136</u>
NET CAPITAL ASSETS	<u>\$ 472,444</u>	<u>(\$ 8,158)</u>	<u>\$ -</u>	<u>\$ 464,286</u>

TOWNSHIP OF MATHIAS

NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 4 - CAPITAL ASSETS (Continued)

Business-type Activities

Nondepreciable Capital Assets:

Land	\$ 11,900	\$ -	\$ -	\$ 11,900
Water system	<u>1,144,177</u>	<u>-</u>	<u>-</u>	<u>1,144,177</u>

TOTAL COST	\$ <u>1,156,077</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,156,077</u>
------------	---------------------	-------------	-------------	---------------------

Accumulated Depreciation:

Water system	<u>339,230</u>	<u>28,604</u>	<u>-</u>	<u>367,834</u>
--------------	----------------	---------------	----------	----------------

NET CAPITAL ASSETS	\$ <u>816,847</u>	(\$ <u>28,604</u>)	\$ <u>-</u>	\$ <u>788,243</u>
--------------------	-------------------	---------------------	-------------	-------------------

Depreciation expense was charged to the following functions in the Township's Statement of Activities in the government-wide financial statements:

General government	\$ 7,153
Public safety	<u>12,231</u>
	\$ <u>19,384</u>

Capital outlay expenditures were charged to the following functions in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances, consistent with the Township's manner of budgeting for capital outlay:

Public Safety	\$ <u>11,226</u>
---------------	------------------

NOTE 5- DEFERRED REVENUES

As of March 31, 2005, the Township's deferred revenues consisted of the following for the government-wide and governmental funds financial statements:

	Government- wide	Governmental Funds
Taxes receivable	\$ -	\$ 7,091
State revenue sharing receivable	<u>-</u>	<u>2,967</u>
	\$ <u>-</u>	\$ <u>10,058</u>

TOWNSHIP OF MATHIAS

NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 6 - GENERAL LONG-TERM DEBT

A summary of changes in general long-term debt for the year ended March 31, 2005 is as follows:

	<u>Installment Notes</u>
Balance, April 1	\$ 31,425
Additions	-
Payments	(<u>10,366</u>)
Balances, March 31	\$ <u>21,059</u>

Installment note proceeds were used in the acquisition of new fire equipment. The installment note is held by a financial institution and requires annual payments of \$12,000, including interest at 5.2%, beginning July 1, 2002 and a final payment of \$10,682 on July 1, 2006.

Annual principal and interest payments required through maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
March 31, 2006	\$ 10,905	\$ 1,095	\$ 12,000
March 31, 2007	<u>10,154</u>	<u>528</u>	<u>10,682</u>
	\$ <u>21,059</u>	\$ <u>1,623</u>	\$ <u>22,682</u>

NOTE 7 - RISK MANAGEMENT

The Township is exposed to various risk of loss related to torts, theft, accident, errors, omissions, injury and disaster. The Township's principal resource used to manage these risks is through the purchase of commercial property and liability insurance policies.

TOWNSHIP OF MATHIAS

NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 8 - PENSION PLAN

The Township maintains a defined contribution pension plan covering all full-time employees of the Township age eighteen and older. Principle provisions of the Plan require the Township to contribute 12.0% of annual compensation to the Plan and provides for immediate 100% vesting and a normal retirement date at age 65.

Total Township contributions to the Plan for the year ended March 31, 2005 were \$4,063.

REQUIRED SUPPLEMENTAL INFORMATION

TOWNSHIP OF MATHIAS

GENERAL FUND BUDGETARY COMPARISON SCHEDULE - CASH BASIS

For the year ended March 31, 2005

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Cash Basis Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:				
Taxes	\$ 20,474	\$ 20,474	\$ 28,509	\$ 8,035
State sources	38,000	38,000	39,615	1,615
Charges for services	8,500	8,500	12,985	4,485
Interest and rentals	1,000	1,000	1,078	78
Other	<u>-</u>	<u>-</u>	<u>1,097</u>	<u>1,097</u>
	<u>67,974</u>	<u>67,974</u>	<u>83,284</u>	<u>15,310</u>
Expenditures:				
Legislative	18,640	18,640	13,850	4,790
General government	31,190	31,190	26,902	4,288
Public safety	13,900	28,000	27,069	931
Public works	9,000	9,000	5,129	3,871
Recreation and culture	2,000	2,000	2,000	-
Other	<u>20,700</u>	<u>20,700</u>	<u>18,517</u>	<u>2,183</u>
	<u>95,430</u>	<u>109,530</u>	<u>93,467</u>	<u>16,063</u>
Excess of revenues (expenditures)(27,456)	(41,556)	(10,183)	31,373
Other Financing Sources (Uses):				
Transfers in	<u>-</u>	<u>-</u>	<u>11,335</u>	<u>11,335</u>
Change in Fund Balance	(27,456)	(41,556)	1,152	42,708
Fund Balance, beginning of year	<u>80,325</u>	<u>80,325</u>	<u>80,325</u>	<u>-</u>
Fund Balance, end of year	\$ <u>52,869</u>	\$ <u>38,769</u>	\$ <u>81,477</u>	\$ <u>42,708</u>

TOWNSHIP OF MATHIAS

FIRE FUND BUDGETARY COMPARISON SCHEDULE - CASH BASIS

For the year ended March 31, 2005

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
Revenues:			
Taxes	\$ 24,809	\$ 26,342	\$ 1,533
Charges for services	-	750	750
Interest and rentals	<u>-</u>	<u>135</u>	<u>135</u>
	<u>24,809</u>	<u>27,227</u>	<u>2,418</u>
Expenditures:			
Debt service	<u>12,000</u>	<u>12,000</u>	<u>-</u>
	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Excess of Revenues (Expenditures)	12,809	15,227	2,418
Other Financing Sources (Uses):			
Operating transfers out	<u>-</u>	(<u>11,335</u>)	(<u>11,335</u>)
Change in Fund Balance	12,809	3,892	(8,917)
Fund Balance, beginning of year	<u>41,349</u>	<u>41,349</u>	<u>-</u>
Fund Balance, end of year	\$ <u><u>54,158</u></u>	\$ <u><u>45,241</u></u>	(\$ <u><u>8,917</u></u>)

TOWNSHIP OF MATHIAS

COMMUNITY CENTER FUND BUDGETARY COMPARISON SCHEDULE -
CASH BASIS

For the year ended March 31, 2005

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
Revenues:			
Interest and rentals	\$ <u>22,202</u>	\$ <u>22,988</u>	\$ <u>786</u>
	<u>22,202</u>	<u>22,988</u>	<u>786</u>
Expenditures:			
Community Center	<u>32,285</u>	<u>19,284</u>	<u>13,001</u>
	<u>32,285</u>	<u>19,284</u>	<u>13,001</u>
Change in Fund Balance	(10,083)	3,704	13,787
Fund Balance, beginning of year	<u>15,389</u>	<u>15,389</u>	<u>-</u>
Fund Balance, end of year	\$ <u><u>5,306</u></u>	\$ <u><u>19,093</u></u>	\$ <u><u>13,787</u></u>

TOWNSHIP OF MATHIAS

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

March 31, 2005

BUDGETARY INFORMATION

The Township prepares annual budgets on a cash basis. A reconciliation of differences in revenues and expenditures between the modified accrual basis of accounting used in the preparation of the governmental funds financial statements and the cash basis of accounting used for budgetary reporting is as follows:

	<u>General Fund Revenues</u>
Amounts reported on modified accrual basis	\$ 77,430
Current change in accounts receivable	7,854
Current change in deferred revenues	(2,000)
Cash basis amounts	\$ <u>83,284</u>

OTHER SUPPLEMENTARY INFORMATION

TOWNSHIP OF MATHIAS

NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET

March 31, 2005

	Housing Rehabilitation Fund	Rural Health Fund	Road Fund	Total
<u>ASSETS</u>				
Cash	\$ <u>4,231</u>	\$ <u>509</u>	\$ <u>7,404</u>	\$ <u>12,144</u>
 <u>FUND BALANCES</u>				
Unreserved	\$ <u>4,231</u>	\$ <u>509</u>	\$ <u>7,404</u>	\$ <u>12,144</u>

TOWNSHIP OF MATHIAS

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the year ended March 31, 2005

	Housing Rehabilitation Fund	Rural Health Fund	Road Fund	Total
Revenues:				
Taxes	\$ -	\$ -	\$ 1,709	\$ 1,709
State sources	-	-	1,359	1,359
Charges for services	-	2,596	-	2,596
Interest and rentals	<u>65</u>	<u>-</u>	<u>20</u>	<u>85</u>
	<u>65</u>	<u>2,596</u>	<u>3,088</u>	<u>5,749</u>
Expenditures:				
Other	<u>-</u>	<u>2,596</u>	<u>-</u>	<u>2,596</u>
Change in Fund Balances	65	-	3,088	3,153
Fund Balances, beginning of year	<u>4,166</u>	<u>509</u>	<u>4,316</u>	<u>8,991</u>
Fund Balances, end of year	<u>\$ 4,231</u>	<u>\$ 509</u>	<u>\$ 7,404</u>	<u>\$ 12,144</u>

TOWNSHIP OF MATHIAS

GENERAL FUND REVENUE BUDGETARY COMPARISON
SCHEDULE - CASH BASIS

For the year ended March 31, 2005

	<u>Amended Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Taxes:			
Current property taxes	\$ 10,937	\$ 10,812	(\$ 125)
Delinquent taxes, penalties, and interest	-	2,670	2,670
Property tax administrative fees	4,363	6,407	2,044
Other taxes	5,174	8,620	3,446
State Sources:			
Revenue sharing	38,000	39,615	1,615
Charges for Services:			
Fire fees and contracts	6,500	9,000	2,500
Other fees	2,000	3,985	1,985
Interest and Rentals:			
Interest income	1,000	1,078	78
Other:			
Miscellaneous	<u>-</u>	<u>1,097</u>	<u>1,097</u>
	\$ <u>67,974</u>	\$ <u>83,284</u>	\$ <u>15,310</u>

TOWNSHIP OF MATHIAS

GENERAL FUND EXPENDITURE BUDGETARY COMPARISON
SCHEDULE - CASH BASIS

For the year ended March 31, 2005

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Legislative:				
Township Board	\$ 18,640	\$ 18,640	\$ 13,850	\$ 4,790
General Government:				
Township Supervisor	4,925	4,925	4,248	677
Township Clerk	5,270	5,270	4,628	642
Township Treasurer	5,470	5,470	5,073	397
Cemetery	4,925	4,925	4,010	915
Board of review	1,200	1,200	300	900
Planning and zoning	2,000	2,000	1,899	101
Elections	1,600	1,600	1,250	350
Assessing	5,800	5,800	5,494	306
Public Safety:				
Fire protection	13,900	28,000	27,069	931
Public Works:				
Street lighting	4,500	4,500	3,678	822
Roads	4,500	4,500	1,451	3,049
Recreation and Culture:				
Recreation	2,000	2,000	2,000	-
Other:				
Insurance	14,000	14,000	13,048	952
Social security	1,200	1,200	1,231	(31)
Retirement plan	<u>5,500</u>	<u>5,500</u>	<u>4,238</u>	<u>1,262</u>
	\$ <u>95,430</u>	\$ <u>109,530</u>	\$ <u>93,467</u>	\$ <u>16,063</u>

TOWNSHIP OF MATHIAS

RURAL HEALTH BUDGETARY COMPARISON SCHEDULE -
CASH BASIS

For the year ended March 31, 2005

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
Revenues:			
Charges for services	\$ <u>6,475</u>	\$ <u>2,596</u>	(\$ <u>3,879</u>)
	6,475	2,596	(3,879)
Expenditures:			
Other:			
Health care	<u>6,475</u>	<u>2,596</u>	<u>3,879</u>
Excess of Revenues (Expenditures)			
Change in Fund Balance	-	-	-
Fund Balance, beginning of year	<u>509</u>	<u>509</u>	<u>-</u>
Fund Balance, end of year	\$ <u><u>509</u></u>	\$ <u><u>509</u></u>	\$ <u><u>-</u></u>

TOWNSHIP OF MATHIAS

ROAD FUND BUDGETARY COMPARISON SCHEDULE -
CASH BASIS

For the year ended March 31, 2005

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
Revenues:			
Taxes	\$ 1,806	\$ 1,709	(\$ 97)
State sources	-	1,359	1,359
Interest and rentals	<u>-</u>	<u>20</u>	<u>20</u>
	1,806	3,088	1,282
Expenditures:			
Road maintenance	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Excess of Revenues (Expenditures)	(4,194)	3,088	7,282
Other Financing Sources (Uses):			
Operating transfers out	<u>4,500</u>	<u>-</u>	(<u>4,500</u>)
Change in Fund Balance	306	3,088	2,782
Fund Balance, beginning of year	<u>4,316</u>	<u>4,316</u>	<u>-</u>
Fund Balance, end of year	\$ <u><u>4,622</u></u>	\$ <u><u>7,404</u></u>	\$ <u><u>2,782</u></u>

TOWNSHIP OF MATHIAS

HOUSING REHABILITATION FUND BUDGETARY COMPARISON SCHEDULE -
CASH BASIS

For the year ended March 31, 2005

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (<u>Unfavorable</u>)
Revenues:			
Interest and rentals	\$ <u>-</u>	\$ <u>65</u>	\$ <u>65</u>
Change in Fund Balance	-	65	65
Fund Balance, beginning of year	<u>4,166</u>	<u>4,166</u>	<u>-</u>
Fund Balance, end of year	\$ <u><u>4,166</u></u>	\$ <u><u>4,231</u></u>	\$ <u><u>65</u></u>